

UPDATE on FY 2016 Funding Situation, Guest Blogger Brad Bunn, Director, DLA Human Resources (J1)

September 24, 2015

On September 1, 2015, Mr. Poleo, our Chief Financial Officer, provided you a status on the Fiscal Year (FY) 2016 Budget situation and the potential impacts of either a Continuing Resolution (CR) or no action by Congress before September 30, 2015 (which would result in a lapse in appropriations) and committed to keeping you updated as we moved forward.

We are now one week away from the end of the fiscal year. It appears that the best case scenario is that Congress may enact a CR (which would keep the Government open) to allow more time for them to work toward a long term fiscal solution. In this case, DLA will operate normally with the caution that we need to be extra judicious in our expenditures while under CR. We are financially sound but we have to be aware that our customers [source of future revenue] will be impacted.

The worst case scenario is if Congress fails to enact a CR and we enter FY 2016 with a lapse in appropriations. In this case, most Federal Government organizations would shut down beginning October 1, 2015, and remain shut down until a CR or other funding bill is enacted. We are still hopeful this will not occur but things are uncertain as you undoubtedly hear in numerous media reports. If a shutdown occurs, we want to reiterate what that means to Agency operations and to you.

A lapse in appropriations would NOT immediately affect the majority of DLA operations. Ninety-eight percent of the Agency's budget is resourced through the Defense Working Capital Fund, a financing model in which the Agency's operating expenses are funded by money made through customer purchases. We can therefore continue to operate as long as cash balances are available to pay our daily expenses. Most federal agencies would be forced to furlough civilian employees but most DLA employees would continue to report to work, as scheduled, with no disruption in pay, and continue working to support our customers and warfighters. Very few organizations within DLA are funded directly through appropriations. As in the past, those organizations and their employees who would be subject to furlough will be notified directly.

Under shutdown, DLA would still continue to operate. However, we would take immediate steps to curtail expenditures on efforts that are not absolutely mission-critical (i.e., non-mission essential travel, training, overtime/compensatory time, and other non-mission essential support costs). These cash conservation steps will assist DLA in maintaining a solid financial footing and allow us to continue supporting our customers.

In keeping with the Director's commitment, as soon as we have information to share on the status of the budget and our operations, we will share it with you. Please check DLA Today frequently for updates.

As always, we appreciate your professionalism and dedication to the DLA mission as our political leaders work through the current budget impasse. Thank you for your continued service to the Department and the Nation.

Brad